

~~CONFIDENTIAL~~25X1 *7/1/69*

CLASSIFICATION

CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

COUNTRY Austria

REPORT

SUBJECT Cut-down in USIA Electrical Industry

CD NO.

25X1

DATE DISTR. 23 May 1949

PLACE ACQUIRED

NO. OF PAGES 1

DATE OF INFO.

NO. OF ENCLS. (LISTED BELOW) 25X1

MAINTAIN OR DESTROY

25X1

SUPPLEMENT TO REPORT NO.

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF THE ESPIONAGE ACT OF 1917, AS AMENDED. ITS TRANSMISSION, DISSEMINATION, OR REVELATION OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. REPRODUCTION OF THIS FORM IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

25X1 1. [REDACTED] the Soviet director of the Siemens-Schuckert plant at 88 Siemensstrasse, Vienna XXI

25X1 [REDACTED] stated that the Siemens plant would schedule its work only on a month to month basis, and that no raw materials were to be stockpiled.*

25X1 2. Soviet directors of the Siemens-Schuckert plants at 150 Engerthstrasse and 88 Siemensstrasse and of the Wiener Kabel-und Metallwerke A.G. of 88 Siemensstrasse have refused to accept delivery of 30 machine tools ordered several months ago from the Skoda works and from Eastern Germany. The directors allegedly stated that they lacked funds to pay for the machinery which is now stored in a USIA warehouse in Inzersdorf.**

25X1 * [REDACTED] Comment: There seem to be no signs that the Soviets are reluctant to accept orders, however. Also, there is no indication that the statement regarding Soviet withdrawal or a shortened work schedule is the result of high level Soviet directives.

25X1 ** [REDACTED] Comment: [REDACTED] this refusal [REDACTED] another indication of the Soviet intention to liquidate its assets in anticipation of a state treaty. However, reports of the last several months indicate that the USIA-controlled Siemens plants are inefficiently operated and have high production costs. The USIA electrical industry has recently felt repercussions from price cuts by non-USIA electrical firms. USIA recently cut three and four horsepower electric motors by 25 and 30% to meet competition, and USIA electrical firms will probably suffer loss. The new price-wage agreement will also increase the financial burden. These factors tend to support the Soviet directors' statements that failure to accept machinery is a result of a lack of funds.

Document No. *005*NO CHANGE in Class. DECLASSIFIED

Class CHANGED TO: TS

DDA Mem. 4 Apr 77

Auth: DDA REG. 77/1763

Date: MAY 17 1978 By [REDACTED]

BY CABLE

CLASSIFICATION

SECRET

CONFIDENTIAL

STATE	R	X NAVY	X NSRB	DISTRIBUTION					
ARMY	X	AIR	X FBI						

This document is hereby regraded to CONFIDENTIAL in accordance with the letter of 16 October 1978 from the Director of Central Intelligence to the Archivist of the United States.
Next Review Date: 2008